

Message Text

SECRET

PAGE 01 GUATEM 04728 112211Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----059537 122209Z /15

R 112123Z AUG 78
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC 1274
INFO AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
USCINCSO QUARRY HTS CZ

S E C R E T GUATEMALA 4728

EXDIS

E.O. 11652: GDS

TAGS: ECIN, ECON, EFIN, ETRD, PEPR, NU, CS, GT

SUBJ: GUATEMALAN CONCERN ABOUT EVENTS IN NICARAGUA

1. DURING A MEETING AUGUST 10 WITH VICE PRESIDENT VILLAGRAN KRAMER ON OTHER SUBJECTS, HE AGAIN EXPRESSED HIS CONCERN ABOUT DEVELOPMENTS IN NICARAGUA. HE SAID THAT COSTA RICAN PRESIDENT HAD BEEN IN TOUCH WITH PRESIDENT LUCAS ON THIS AND THERE WAS A CONSENSUS THAT GENERAL SOMOZA WAS COMMITTING HARI-KARI. VILLAGRAN SAID THIS MOST RECENT CONCERN WAS TRIGGERED BY SOMOZA'S ACTION IN IMPOSING NEW "CONSUMER TAXES" WHICH WOULD HAVE EFFECT OF RESTRAINING CENTRAL AMERICAN TRADE BY REDUCING DEMAND IN NICARAGUA FOR IMPORTS. HE EXPLAINED THAT THIS WOULD EXACERBATE ALREADY PRECARIOUS ECONOMIC SITUATION THERE AND SAID THAT SOMOZA WAS CURRENTLY SEEKING NEW \$25 MILLION LOAN IN JAPAN TO OBTAIN FUNDS HE NEEDED TO PAY CIVIL SERVICE SALARIES, NOTING THAT SOMOZA HAD ALREADY DRAWN DOWN \$25 MILLION FROM A LINE OF CREDIT MADE AVAILABLE BY THE CENTRAL BANKS OF THE OTHER CENTRAL AMERICAN COMMON MARKET

SECRET

SECRET

PAGE 02 GUATEM 04728 112211Z

COUNTRIES. THERE WAS SOME FEELING, HE SAID, THAT BUSINESS SECTORS IN COSTA RICA AND GUATEMALA WOULD EXERT PRESSURE FOR THEIR GOVERNMENTS TO TAKE SOME ACTION AGAINST NICARAGUA. AS WE KNEW, HE SAID, THERE WAS DIVIDED OPINION IN GUATEMALA ON NICARAGUA AND HE AND PRESIDENT LUCAS HAD DECIDED THAT GUATEMALA MUST FOLLOW A HANDS-OFF POLICY.

2. NEVERTHELESS, HE SAID, THEY FORESAW A REAL DANGER THAT THINGS MIGHT GET OUT OF HAND IN NICARAGUA WITHIN THE COMING YEAR. HE SAID IT MIGHT BE THAT THERE WOULD BE A NEED FOR CENTRAL AMERICAN COUNTRIES TO ESTABLISH A PEACEKEEPING FORCE. HE ADDED THAT IT WAS ESSENTIAL, IN THEIR VIEW, THAT NO US TROOPS BE INTRODUCED, ALTHOUGH HE ADDED WRYLY THAT, "TO PARAPHRASE PRESIDENT ROOSEVELT, SOMOZA IS YOUR SOB." HE SAID THAT PRESIDENT LUCAS HAD AUTHORIZED HIM IN A MEETING THAT MORNING TO MENTION THIS CONCERN TO ME, AND IT MIGHT BE THAT IN THE FUTURE THEY WOULD WANT TO TALK FURTHER ABOUT IT.

3. I THANKED HIM FOR THIS INFORMATION, WHICH I SAID I WOULD REPORT TO WASHINGTON. I SAID IT WAS CERTAINLY OUR HOPE THAT DEVELOPMENTS IN NICARAGUA WOULD PROGRESS IN A WAY SO AS TO AVOID ANY SUCH EVENTUALITY.

4. IN THIS CONNECTION, VILLAGRAN SAID THAT GUATEMALAN CHAMBER OF INDUSTRIES HAD BEEN APPROACHED BY ITS COSTA RICAN COUNTER-PART TO COOPERATE IN PROVIDING A BYPASS ROUTE FOR COSTA RICAN COMMERCIAL TRAFFIC WHICH, THE COSTA RICANS CONTEND, IS BEING SO HARASSED IN TRANSIT THROUGH NICARAGUA AS TO INCREASE COSTS OF TRANSIT AND GENERALLY MAKE THAT ROUTE DIFFICULT. THIS BYPASS WOULD CONSIST OF SEA ROUTE POSSIBLY FROM PUNTARENAS IN COSTA RICA TO ACAJUTLA IN EL SALVADOR.
BOSTER

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, GOVERNMENT REACTIONS, POLITICAL SITUATION, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 11 aug 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GUATEM04728
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780330-1073
Format: TEL
From: GUATEMALA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780875/aaaackmt.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bedcf264-c288-dd11-92da-001cc4696bcc
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1771387
Secure: OPEN
Status: NATIVE
Subject: GUATEMALAN CONCERN ABOUT EVENTS IN NICARAGUA
TAGS: ECIN, ECON, EFIN, ETRD, PEPR, NU, CS, GT, (VILLAGRAN KRAMER, FRANCISCO)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/bedcf264-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014